

United States Department of the Interior

BUREAU OF LAND MANAGEMENT FILLMORE FIELD OFFICE

35 East 500 North Fillmore, UT 84631



In Reply Refer to: 3800 (U-010) UTU-078275

June 20, 2003

CERTIFIED MAIL #7002 3150 0004 1702 2000 RETURN RECEIPT REQUESTED

WILLIAM PAPPAS
MEMBER-MANAGER
CAMBRILLIC NATURAL STONE
230 E BROADWAY
SLC UT 84111

Dear Mr. Pappas,

Thank you for meeting with Sheri Wysong and me in the field and the office on June 18 and 19, 2003. I am writing to confirm what was discussed in those meetings.

You are amending your present plan to include approximately five acres (see enclosed map) about 1500 feet south of your original proposal. Your total proposed disturbed area will be approximately nine acres; however, your reclamation bond will only cover the newly proposed disturbance. You will not exceed five acres in disturbance until you have an approved Large Mine Plan with the Utah Division of Oil, Gas and Mining (UDOGM). The five acres will include:

- 1. The camp area, including the occupancy areas left unreclaimed by Baron Trading. Upon cleanup of Baron Trading's disturbance, that area will no longer be counted towards the five acres.
- 2. The road from the Spectrum Quarry to the camp area.
- 3. The active quarry area, stockpiles, and staging areas.

You are proposing to mine 20,000 tons (6600 tons of building stone and 13400 of waste rock) of material a year from the Spectrum quarry. You intend to use approximately 500 gallons of water a day to soak the stone in place, and then extract the separated layers. You will stockpile the waste rock until a possible market for it can be

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developed. If a market is found, you will apply for a sales contract to purchase the material. If a market cannot be found, the stockpile will be used to recontour the quarry during reclamation.

We will sell you the afore-mentioned water from the Antelope Springs standpipe under the terms of the enclosed agreement. You will pay for the water in advance on a monthly basis. If it is determined that your use of the water interferes with its traditional use, we have the right to discontinue the sales.

You will leave the southern half of the berm on the east side of the quarry in place to use as a source of growth media for reclamation. All other growth media displaced during the operation will be added to this pile. Upon reclamation, the growth media will be spread over the recontoured areas. The staging and camp areas and the road will be ripped to loosen the soil, and a suitable seed mixture will be spread over the recontoured and ripped areas.

You are proposing to bring in a portable watchman's quarters and to occupy the site on a 24 hour, seven day a week, year round basis. The trailer will be hooked into the existing septic tank installed by Baron Trading in 1991. Before doing so, however, you will get a permit from the Millard County Health Department, and submit a copy of the permit to this office. Your reclamation bond will reflect the cost of removing the septic tank upon cessation of operations.

You would begin operations upon approval of the amendment and operate for one year. After one year it is anticipated that the operation will exceed five acres of disturbance. To continue production you will have a Large Mine Plan (LMP) approved by UDOGM.

You are aware that a mineral report for the material you propose mining is almost complete, and that it is likely the BLM will contest the validity of your mining claims. If the claims are found invalid, you will not be given special consideration for any subsequent sales of the material. If you are not successful in gaining a contract to buy the material, you will immediately remove all personal property and reclaim all areas disturbed or redisturbed under this proposal, except for any area included under an approved sales contract.

Since we believe that the building stone you propose mining is a common variety and therefore not locatable under the mining laws, you will establish an escrow account for the material removed. Your initial deposit will be \$3960 (6600 tons X \$12.00 per ton X 5%), and will apply to the last 330 tons removed. You will then make monthly deposits for the value of the material removed the previous month.

You are aware that, should we approve the amendment or a subsequent sales contract for the waste rock, there are parties who may consider themselves adversely affected by those Decisions. These parties will be given the opportunity to comment on the actions, and to appeal the Decisions should we approve them, and to request that the Decisions be

stayed. A Decision to approve the amendment would be in full force and effect upon approval and you could begin operations immediately after it would be issued, however you take the risk that the Interior Board of Land Appeals (IBLA) would issue a stay, at which time you would have to immediately cease operations until the IBLA makes its decision.

If you agree this letter reflects the discussions at our meetings, please contact us in writing with your concurrence that this letter adequately and accurately addresses the deficiencies in your amendment that we identified in our letter of May 5, 2003. Upon receiving your concurrence, we will begin the 30 day public comment period required by regulation.

Sincerely,

Jerry Mansfield

Geologist

Enclosures

Map

Water Use Agreement

cc: Tom Munson, UDOGM (S/027/079)

Larry McCurdy, President, Unique Minerals, 18458 W Carter Circle, Cedar Valley, UT 84103

Phil Levin, President, Levin Stone, PO Box 95, Ash Fork, AZ 86320